



U.S. Department of Justice

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CHAMBERS OF
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November 17, 1999

TO BE FILED UNDER SEAL

The Honorable I. Leo Glasser
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Gennady Klotsman
Criminal Docket No. 98-1069 (ILG)

Dear Judge Glasser:

This letter is submitted to advise the Court of the relation between a new civil filing, CV-99-7445 (ILG) -- a Verified Complaint In Rem (the "Complaint") -- and the above-captioned criminal case.

By way of background, in November 1998, the defendant, Gennady Klotsman, entered into a Cooperation Agreement pursuant to which he pled guilty to a RICO charge under 18 U.S.C. § 1962 et seq. As part of this Agreement, the defendant agreed not to transfer or encumber any property in which he had an interest without permission of the U.S. Attorney's Office. One such property was an apartment in Fort Lee, New Jersey which the defendant purchased with the proceeds of unlawful activity (the "Apartment"). The Agreement contemplated that the Apartment, and any other relevant property, might be applied to pay a fine or restitution, if ordered by the Court. The Agreement also left open the issue of a possible forfeiture of the property by the government.

The new civil filing seeks the issuance of a Warrant of Arrest in furtherance of forfeiture of the Apartment. In support of the issuance of the Warrant, the Complaint relies in part on allegations in the felony Information to which the defendant has pled guilty. In my understanding, the Court has already issued the Warrant of Arrest. Accordingly, notice will be given to all

interested persons. The status of the Apartment, and disposition any sale proceeds therefrom, will of course be subject to further orders of the Court.

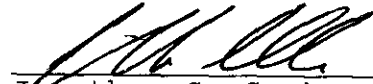
In light of the confidential nature of the defendant's guilty plea and related documents, the government respectfully requests that the Court order the Complaint sealed. Upon the Court's endorsement of this letter, the government will provide a copy to the Clerk of the Court to effect sealing. While notice of the forfeiture action must be given to persons with an interest in the Apartment, the government wishes to keep dissemination of the information in the Complaint to a minimum.

Due to the nature of this letter and the underlying criminal proceeding, the government requests that this letter be filed under seal. If the Court requires further information, we will of course seek to provide it.

Respectfully submitted,

LORETTA E. LYNCH
UNITED STATES ATTORNEY

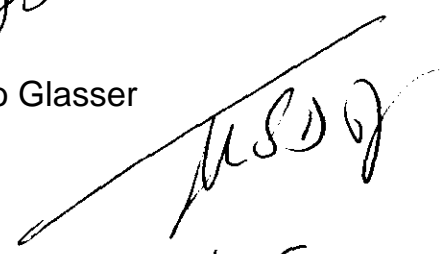
By:


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cc: Ivan Fisher, Esq. (By Fax)
Counsel to Gennady Klotsman

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U.S. Attorney's Office, EDNY


s/ Leo Glasser


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